

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB 900
Version:	ENGR
Request Number:	NA
Author:	Rep. Boatman
Date:	3/29/2021
Impact:	Tax Commission

FY-22/FY-23: Unknown Decrease in Revenue

Research Analysis

SB 900 provides, for tax years 2021 through 2029, an income tax deduction for up to 60 percent of an equity investment in an eligible business by an investor. The measure defines *eligible business* as any business that operates in a technology-based industry in Oklahoma, is supported by federal small business innovation research grants, or is supported by technology development or seed capital investments made by the Oklahoma Center for the Advancement of Science and Technology. The deduction shall not exceed 50 percent of the net income tax liability of the investor after all other credits and deductions have been calculated, and unused deductions can be carried forward for five additional years.

Businesses seeking eligibility under this provision must submit an application to the Oklahoma Department of Commerce that includes a business plan, a projection of the amount of capital being sought and any other information requested by the Department. If approved, the business shall sign an equity investment incentive agreement with the Department, who shall then send the agreement to the Oklahoma Tax Commission which the investor shall attach to their tax return.

The total amount of tax deductions is capped at \$7.5 million; however, if that amount exceeds the cap, the Commission shall permit any excess and factor it into the percentage for the following year.

The measure directs the Department to promulgate rules to administer the provisions of the measure.

Prepared By: Emily McPherson

Fiscal Analysis

The Tax Commission has indicated the measure will result in a decrease in revenue, the amount of which is presently unknown.

Prepared By: Mark Tygret

Other Considerations

None.

